

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 DODE-00 CIAE-00 PM-04 INR-07 L-03  
ACDA-10 NSAE-00 PA-02 SS-15 PRS-01 SP-02 USIA-15  
TRSE-00 NSC-05 EB-08 COM-04 /089 R

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JS/J-4:CMDR. LEWIS

-----021256Z 032115 /50

R 020314Z APR 77  
FM SECSTATE WASHDC  
TO USMISSION NATO  
INFO AMEMBASSY REYKJAVIK  
COMNAVFACENGCOM ALEXANDRIA VA  
COMICEDEFOR

UNCLAS STATE 072355

E.O. 11652: N/A

TAGS: NATO, ETEL

SUBJECT: NATO INFRASTRUCTURE, NICSMA CONTRACTS FOR WORK  
IN ICELAND

REFS: (A) MOU - COOPERATION BETWEEN NICSMA AND US ON  
-- CIVIL WORKS  
-- (B) NICSMA IFB FOR SATCOM III GROUND TERMINALS

1. BY REF A, THE US AGREED TO ACT AS HOST NATION FOR  
CIVIL WORKS PORTION OF NICSMA CONSTRUCTION PROJECTS IN  
ICELAND, BERMUDA AND THE US. REF B IS THE CALL FOR  
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BIDS FOR THE SATCOM III GROUND TERMINALS INCLUDING ONE TO  
BE INSTALLED AT KEFLAVIK, ICELAND. ALTHOUGH THE US WILL  
PROVIDE THE MAJORITY OF CIVIL WORKS IAW REF A, REF B  
REQUIRES THAT ADDITIONAL CIVIL WORKS INCLUDING ANTENNA  
PEDESTAL AND RADOME FOUNDATIONS BE PROVIDED BY THE NICSMA  
SYSTEMS CONTRACTOR. WE UNDERSTAND THAT GOI REPLY TO  
NICSMA INQUIRY AFFIRMS THAT ICELANDIC PRIME CONTRACTOR

(IPC) IS THE ONLY CONTRACTOR AUTHORIZED FOR CIVIL WORKS  
IN ICELAND.

2. IPC WAS ORGANIZED AS RESULT OF US/GOI NEGOTIATIONS IN 1954 TO ASSURE ADEQUATE CONSTRUCTION CAPABILITY ON ICELAND FOR DEFENSE REQUIREMENTS. USN GUARANTEES OVERHEAD AND EQUIPMENT COSTS FOR IPC ON ANNUAL BASIS. IPC DOES NOT DO WORK FOR ANYONE EXCEPT THROUGH USN. SHOULD NICSMA INSIST ON DIRECT NEGOTIATION WITH IPC OR CONSTRUCTION BY SEPARATE CONTRACTOR, DELICATE RELATIONSHIP BETWEEN IPC AND USG COULD BE ADVERSELY AFFECTED. NOR WOULD THE USN DESIRE TO BE PLACED IN POSITION OF SUBCONTRACTOR FOR NICSMA SYSTEMS CONTRACT.

3. IT IS REQUESTED THAT ABOVE SITUATION BE DISCUSSED WITH NICSMA WITH OBJECTIVE TO HAVE ALL CONSTRUCTION AT ICELAND SITE PROVIDED BY USG/IPC FOR NICSMA IAW PLANS DEVELOPED BY SUCCESSFUL SYSTEMS CONTRACTOR. THIS COULD BE ACCOMPLISHED EASILY IF CONTRACTORS ARE REQUIRED TO DETAIL CIVIL ENGINEERING COSTS SO THAT REMOVAL FROM BID PROPOSAL CAN BE NEGOTIATED PRIOR TO SIGNATURE OF CONTRACT WITH SUCCESSFUL BIDDER.

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## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ALLIANCE, AGREEMENTS, CONSTRUCTION, CONTRACTS, MILITARY BASES, PROPOSALS (BID)  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
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**Drafter:** MR. CARLSON  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Subject:** NATO INFRASTRUCTURE, NICSMA CONTRACTS FOR WORK IN ICELAND  
**TAGS:** ETEL, NATO  
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**Type:** TE  
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**Review Markings:**  
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